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ABSTRACT

The New York State program of student financial assistance is broad and comprehensive, comprising an extensive network of low-tuition public colleges, scholarships for outstanding high school graduates, tuition assistance grants for use at public and independent colleges, and guaranteed loans to college students. The present scholarship and tuition assistance grants are based on legislation of 1974 and 1975 that established the New York Higher Education Services Corporation to centralize the administration of the programs of scholarships, grants and loans, and to coordinate such programs with those of other levels of government, particularly the Federal government. The Board of Regents review and evaluate the programs and report to the State legislature. This report details the development and scope of financial assistance programs; the present scholarship and grant programs; determination of the student's award on basis of tuition cost and financial ability; trends in enrollments and awards; trends in costs and average awards; the impact of the tuition assistance program on students' choice of college; how tuition assistance program award recipients finance college costs; and a review of the Higher Education Services Corporation Annual Report for 1975-76. A summary of findings and recommendations for the improvement of such programs and the enlargement of educational opportunity are also included. (JMF)

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ED140696

A REPORT BY THE BOARD OF REGENTS
TO THE GOVERNOR AND LEGISLATURE
ON STATE STUDENT FINANCIAL AID PROGRAMS

HE008969

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Albany, New York 12234
December 1976

THE UNIVERSITY OF THE STATE OF NEW YORK

Regents of The University (with years when terms expire)

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Deputy Commissioner for Higher and Professional Education
T. Edward Hollander

Section 603 of the Education Law
(As amended by Chapter 942, Laws of 1974)

Section 603. Evaluation of the board of regents. On or before January first, nineteen hundred seventy-six, and annually thereafter on or before December first, the board of regents shall make a report to the Governor and the temporary president of the senate, the speaker of the assembly, the senate finance committee, the assembly ways and means committee and the standing committees of the legislature having jurisdiction of higher education evaluating all financial assistance and loan programs established by this article, which report shall contain such recommendations as the regents may deem appropriate.

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THE UNIVERSITY OF THE STATE OF NEW YORK

THE STATE EDUCATION DEPARTMENT

OFFICE OF THE PRESIDENT OF THE UNIVERSITY

AND COMMISSIONER OF EDUCATION

ALBANY, NEW YORK 12234

Thursday
November 4
19 76

To the Governor and the Legislature:

New York State has a long record of leadership in aiding students to pursue higher education. In keeping with its role, the State has lowered financial barriers to higher education in order that the goal of maximum educational opportunity be realized.

The total State program of financial assistance is broad and comprehensive, comprising an extensive network of low tuition public colleges, scholarships for outstanding high school graduates, tuition assistance grants for use at public and independent colleges, and guaranteed loans to college students.

The present scholarship and tuition assistance grants are based on legislation of 1974 and 1975. The legislation of 1974 established the New York Higher Education Services Corporation to centralize the administration of State financial aid programs of scholarships, grants and loans and to coordinate such programs with those of other levels of government, particularly the Federal government. Under the law the Higher Education Services Corporation is responsible for the issuance of award and loan payments and the Education Department retains the responsibility for selection of winners and alternates in six programs of scholarships or academic performance awards. The law, under section 502, provides that the Commissioner shall establish regulations governing student eligibility for student award and loan programs in the following areas:

1. Full-time and part-time attendance
2. Summer study
3. Permissible use of general and academic performance awards
4. Matriculation
5. Academic standing

Over the years, the Board of Regents has reviewed the State's student financial assistance programs and made recommendations for significant changes. Many of these recommendations formed the basis for legislative changes in 1957, 1961 and 1969. The Tuition Assistance Program, adopted in 1974, paralleled a Regents proposal for the expansion of the Scholar Incentive Program and took into account a survey of recipients of student aid carried out by the State Education Department.

The Regents continue to review and evaluate the State's student financial aid programs. Accordingly, this report contains not only a description of the present scope and operation of the State's financial aid programs but also includes recommendations for the improvement of such programs and the enlargement of educational opportunity.

President of the University and
Commissioner of Education

Summary of Findings and Recommendations

Findings

1. The State's financial aid programs (loans and grants) for 1975 76 totaled $344 million of which $111 million was for tuition assistance and $208 million was for loans. The balance was expended for other grant and scholarship programs. Scholarship and grant assistance was provided to 338,000 students. Nearly 145,000 student loans were approved in 1975-76; approximately 72,000 were approved for first-time borrowers.

2. Tuition assistance payments are expected to rise from $111 million in 1975-76 to $177 million in 1976-77; the increase results from increased award levels (as juniors come under the new expanded award schedule for the first time), increased enrollments in the independent sector, and the expansion of the tuition assistance program to undergraduate students attending the City University who will be paying tuition for the first time in 1976-77.

3. The number of TAP recipients for 1975-76 increased faster than enrollments, primarily at the State's community colleges, independent colleges and universities and at business, trade or technical schools. The disproportionate increase resulted from legislative expansion of student and institutional eligibility and more generous award schedules for students attending public and independent colleges and universities.

4. Average award levels rose in 1975-76 over the previous year because of increased numbers of emancipated students and the continuing phase-in of the new more generous tuition assistance schedule for third-year recipients.

5. The TAP program, established in 1974, appears to have had significant impact in providing low and low middle income students with greater freedom in choosing institutions that best met their educational needs. The TAP program appears to have been a factor in increased enrollments in the independent sector.

6. Increases in the average award schedule when compared to changes in tuition levels had the following effect of average net tuition costs of students in 1975-76 compared to 1973-74:

	Net Tuition Cost 1973-74	Net Tuition Cost 1975-76	Percent Increase (Decrease)
Independent Colleges	$2,106	$2,182	3.6%
State University of New York	539	453	(16.0)*
Community Colleges	338	325	(3.8)

*Does not take into account reductions in the State University Scholarship Fund.

7. The Tuition Assistance Program expenditures for 1975-76 exceeded the original budget by $13 million. About $8 million of the increase results from increased enrollment of eligible students. A major portion of the remainder results from the increased number of students claiming emancipated status. The balance results from extended eligibility for students attending business, trade and technical schools for whom no additional appropriation had been provided.

8. Serious delays have occurred in the distribution of student aid funds advanced by colleges and remuneration for students entitled to State tuition assistance grants and scholarship awards. Consequently, institutions have experienced financial problems. The delays result from problems in the processing of applications for student assistance. The Corporation attributes these difficulties to technical problems associated with new computer programs. The State Education Department had offered to continue to process applications in 1976-77, using its computer facilities in order to avoid these forseeable delays.

9. One major objective in the establishment of the Corporation was the simplification of application procedures, and this objective has not been accomplished. Progress could not be made in the simplification of application procedures and forms for 1976-77 because of more pressing priorities associated with the expansion of the number of eligible students.

10. The Corporation was unable to submit to the Regents its annual report on November 1, as required by section 653 of article 14 of the State Education Law. As a result, the Regents had to issue this report without the benefit of the information necessary for a complete evaluation of the Corporation's activities. A draft of the Corporation's report was made available on November 1 and this evaluation has relied, in part, on preliminary data included in the draft report.

11. The Corporation's student aid and loan budget request must be developed by the president of the Corporation after consultation with the Board of Regents, according to section 653 of article 14 of State Education Law. The budget request of the Corporation submitted to the Division of the Budget was developed without such consultation.

Recommendations

1. Simplification of Application Forms

A major objective of the Legislature in establishing the Higher Education Services Corporation was to provide for a simplification of the application forms and reduction of the burden on students for filling out multiple application forms. No progress has been made in this area because of the problem associated with the transition to a new corporation, computer programming problems, the adoption of a tuition policy at the City University, the delay in staff recruitment, and the increased volume of the program. A new and complex emancipation form was required for the first time in 1976.

The size of the program and the need for reliable information from applicants that can be audited require considerable information on the application forms. Even so, the Corporation should give high priority to simplification of the application process.

a. The Regents urge that the Corporation be given adequate budgetary support in the upcoming year and that the computer capability available to the corporation be reexamined.

b. The Corporation should combine as quickly as possible, the separate applications that students must submit for grant and loan programs. A single application form can be developed to provide sufficient information to cover State loan and grant applications. The Corporation can then process, through its computer, the necessary loan and grant forms. The combined form could provide more reliable data as well as provide the first step in a joint federal-state student aid program. It is hoped that the combined form could be available for 1978-79, at the latest.

c. The Regents support the articulation of the Basic Educational Opportunity Grant program (Federal) with the State Tuition Assistance Program. The purposes of the two programs are complementary. Students should not be required to deal with two separate agencies that require common information and make separate determinations of eligibility.

The Regents will support the Corporation as it seeks revision of Federal procedures to permit better articulation of the two programs.

2. Improved Audit Capability

The Corporation should be provided with funds to increase its audit capability. The size of the program justifies further expansion of the Corporation's audit staff.

3. Better Control of Program Expenditures

The extension of the tuition assistance program has increased its popularity and attracted new applicants. The rapidly rising funding requirements are, in part, offset by savings as increased numbers of students who prefer to attend independent institutions and private trade, technical and business schools are able to do so. Such enrollments reduce the need to expand public college facilities.

Even so, the bases for determining student aid should be adjusted both to assure a more equitable distribution of funds and to limit the increases required in the State appropriation in future years.

a. Net taxable income for award determination is now adjusted to include income from tax-exempt securities to determine the level of the award. Other items of excluded income such as from veteran's benefits, Social Security and retirement income should also be considered in determining the ability of the student and his family to contribute to tuition costs. It is

recommended that the State award calculation include both taxable and non-taxable income. The Federal Basic Opportunity Grants calculations utilize both types of income and also use imputed income from assets which would be excluded in determining award levels for the State program. This change would also contribute to better articulation of the Federal and State programs.

b. The Regents are opposed to permitting the portability of New York State grants. Portability may be a rationalizing of extended opportunities for students because of limited opportunities within the State. However, New York State supports a large and diverse system that offers students a full range of programs. Students who leave New York State to study do so largely for non-academic reasons. The large cost to the State of offering portability would cause undue financial strains at a time when all available funds must be used to support the basic system.

c. It is proposed that a separate schedule of awards be established for unmarried emancipated students. This proposal is discussed in detail below.

d. It is proposed that a separate fellowship program be established in lieu of the Tuition Assistance Program for graduate students who continue their studies beyond the masters degree or the first professional degree. This proposal is described in greater detail below.

e. The Education Department is working closely with the Corporation in an ongoing review of those sections of the commissioner's regulations which relate to State student aid programs. These regulations concern such matters as approved programs of study, matriculation, and full and part-time study. Where appropriate, proposed revisions will be forwarded to the Regents for consideration and approval.

4. Increased Tuition Assistance Program Awards for Undergraduate Students

The maximum Tuition Assistance Program award should be raised to $1,700. This proposal would compensate, in part, for a tuition increase at independent colleges. By 1977-78 the average tuition charge at the independent colleges will have risen by about $700 above the average charge at the time of the TAP program in 1974. The proposed increase would maintain the net tuition payable (tuition less TAP) at approximately the 1974 levels. The 1974 net tuition levels are considered appropriate as a base because that was the first time in four years that full-time undergraduate enrollments at independent institutions did not decline.

5. A Comprehensive Program of Graduate Student Aid

A Regents Fellowship Program should be established that would provide 800 awards annually to first-time doctoral students who are residents of New York State and who attend a registered doctoral program

at a New York State institution as full-time students. Awards should be made for tuition and stipends for living expenses. The tuition portion of the award would be $3,000 or tuition, whichever is less. The stipend for living expenses would be $2,500 per year. Not less than 50 of the fellowships would be awarded to students in programs designated to prepare students for careers in political science, international affairs, and public administration. Such fellowships would be known as the Lehman Fellowships.

The duration of the Tuition Assistance Program awards to graduate students should also be changed. The duration of the TAP award for graduate students should be one year, or two years if the master's degree program of study requires more than one year, or four years if the first professional degree program requires more than one year. The effect of this change would be to reduce the duration of awards only to doctoral students. However, they would be able to compete for the much larger fellowships.

The fellowship program is designed to assure a continuing source of talented young people who can best contribute to the advancement of the frontiers of knowledge. In spite of the possible oversupply of Ph.D.'s in many fields, persons with strong training and capable of creative contributions to society are, and will continue to be, in great demand.

The number of fellowships available from New York State has dwindled in recent years. In 1971 approximately 800 new fellowships were awarded through five State programs. In 1975-76 only 30 new fellowships were authorized through the Lehman Fellowship program. It is time for the State to once again make an investment in a fellowship program. The Regents have also proposed to the Federal government a program of matching aid to institutions enrolling state fellowship holders.

6. Emancipated Students

The 1974 changes in the State grant program liberalized the criteria for allowing undergraduate students to exclude their parents' income in the determination of awards. The Regents propose that these criteria be restricted to students who are above normal college age (over 22 for undergraduate students and over 26 for graduate students). Students who are 35 and over should be automatically recognized as emancipated.

Emancipated students who are single should be on a different schedule of awards than dependent students or students with dependents. Single students can make a larger contribution toward college expenses from a given income than can a family with other living expenses but the same income. The following table shows the effect of the proposal.

Present and Proposed Schedules of TAP Awards
Single Independent Undergraduate Students

Gross Income	Taxable Balance	Schedule C Awards (lower division)					
		Independent Colleges		SUNY		CUNY	
		Present	Proposed	Present	Proposed	Present	Proposed
$ 2,000	$ 0	$1,500	$1,500	$750	$750	$775	$775
4,000	1,850	1,500	1,255	750	495	775	520
5,000	2,750	1,455	975	705	225	730	250
6,000	3,850	1,389	645	639	100	664	100
7,816	5,666	1,274	100	524	100	549	100
8,000	5,850	1,261	0	511	0	536	0
12,000	9,850	968	0	212	0	237	0
14,000	11,850	785	0	100	0	100	0
18,000	15,850	348	0	100	0	100	0
20,000	17,850	100	0	100	0	100	0

7. Adult Students

In 1974 TAP legislation contained a clause that discriminated against older students. Eligibility for awards under the higher schedule was limited to people who graduated from high school after January 1, 1974. The Regents supported the removal of this restriction and this was accomplished by the 1975 Legislature. Now efforts are developing to reinstate such a cut-off in order to lower the costs of the TAP program. The Regents oppose any such restriction.

There is, however, a change in the grant program that should be considered that would affect many older students. Several institutions have begun to recruit retired people who qualify for maximum TAP awards. In order to prevent possible abuses in the program and to bring the method of determining TAP awards more into line with the system used for determining Federal grant awards, it is recommended that a portion of non-taxable income such as Social Security and Veterans benefits be included for the purposes of determining TAP awards (See Item 3.a. above).

8. Part-time Students

The Regents have long supported the extension of the State grant programs to part-time students, and they continue to do so. However, they note that the financial condition of the State does not now permit a major new program expansion. The current financial condition of the State and other demands for increased State funding for postsecondary education prohibit the extension of significant amounts of aid to part-time students. Thus, the Regents have not included such a program in their legislative program. In future years, as funds become available, the Regents will develop a proposal for providing tuition assistance grants to part-time students.

II

The Development and Scope of Financial Assistance Programs in New York State

New York State provides an extensive program of scholarships, grants and loans, effectively aimed for the enlargement of college opportunity.

The State's financial assistance programs began in 1913 with the establishment of the Regents College Scholarship Program for outstanding high school seniors. Over the years the numbers of awards and amounts of awards increased. Prior to 1975, when all new Regents College Scholarships were fixed at a $250 annual level, the annual value of the scholarship ranged from $250 to $1,000 depending on family income. Between 1936 and the 1960's various other special scholarship and award programs were established for children of deceased and disabled veterans and for veterans of World War II, the Korean and Vietnamese conflicts. In addition, special scholarship programs were initiated for the study of nursing, medicine and dentistry as well as fellowships for college teaching and various other academic programs on the graduate level.

In 1961 the Legislature established the scholar incentive award programs, a non-competitive grant program for full-time undergraduate and graduate students. The first awards were made in 1962. Within a few years the size of the scholar incentive award program, in terms of numbers of students and annual expenditures, far exceeded the size of the Regents College Scholarship Program. In 1974 the Legislature established the Tuition Assistance Program which replaced the scholar incentive awards (which had maximum annual awards of $600) with a more liberal scale of awards having a maximum annual value of $1,500, not to exceed tuition.

The present State assistance programs include the following major components:

TUITION ASSISTANCE PROGRAM AWARDS. New York State residents with capacity for full-time study receive non-competitive grants to help meet tuition costs.

REGENTS SCHOLARSHIPS AND FELLOWSHIPS. Outstanding students receive scholarships or fellowships, on the basis of competitive examinations, with amount and terms of awards depending generally on program of study.

LOANS. New York State residents may receive loans up to $2,000 a year for meeting costs of approved undergraduate college and vocational programs. Graduate and professional students may borrow up to $2,500 per year, and, as of 1976-77, medical and dental students may borrow up to $5,000 per year under a special State program. The Higher Education Services Corporation guarantees loans made by financial institutions and the Federal government pays interest while the student is enrolled if financial need has been determined by the college or vocational school. During the repayment period, after termination of study, the student repays the principal amount plus seven percent simple interest.

STATE UNIVERSITY SCHOLARSHIP FUND. State University students with limited financial resources may receive from the State University Scholarship Fund the difference between the tuition charge and the tuition assistance program award, so that there will be no out-of-pocket tuition cost.

III

The Present Scholarship and Grant Programs

Scholarship and grants awarded in New York State in 1975-76 exhibit a diverse range of opportunity. The largest component, the tuition assistance program, provides awards which are applicable to any approved undergraduate or graduate program. Similarly the Regents College Scholarships are available for a wide variety of undergraduate programs. For students in specialized graduate programs, special fellowship and scholarship awards are available. The combination of undergraduate and graduate awards may provide assistance for as much as 8 years of Study.

A. Types of Awards

Program	Number of New Awards Authorized, 1975-76	Amt. of Annual Award	Term of Award (In Years)
Noncompetitive Awards			
Tuition Assistance Program Awards....	264,847[1]	$ 100-$1500	8
Child-of-Veteran Awards.....	2,938[1]	450	4 or 5
Scholarships for High School Seniors			
Regents College Scholarships.....	19,398	250	4 or 5
Basic Nursing Scholarships.....	800	250	4 or 5
Cornell University Scholarships.....	60	100-1000[2]	4
	20,258		
Other Scholarships			
Medical-Dental-Osteopathy Scholarships.....	147	350-4000	4
War Veterans Scholarships.....	600	350	4 or 5
	747		
Lehman Fellowships.....	30	4000-5000	4

[1]Estimated from Higher Education Services Corporation preliminary report, September, 1976.

[2]Tuition reduction by Cornell University.

The Student Loan Program, 1975-76[1]

Number of Original Loans	71,868
Number of Additional Loans	73,027
Total Loans	144,895
Total Amount	$207,603,280
Average Loan	$ 1,433

[1]Data from Higher Education Services Corporation for fiscal year, 1976.

B. Total Annual Financial Assistance to College Students

The financial aid program in New York State totaled approximately $344 million in 1975-76. During 1975-76 it provided scholarship and grant assistance to over 338,000 students. Nearly 145,000 student loans were approved in 1975-76, of which approximately 72,000 were to first-time borrowers. With the advent of tuition changes at City University it is expected that tuition assistance program awards will total approximately $176.5 million in 1976-77 as compared with $111.4 million in 1975-76. The average amounts of aid, as indicated in Table 6 show marked variations in certain cases. The average tuition assistance awards show significant increases as the larger scale of awards, which was established in 1974, is phased-in. (In 1977-78 the phase-in should be largely completed.) The Regents College Scholarship, on the other hand, reflects a lower average in 1975-76 as the 1974 Legislation also provided for flat awards of $250 for all new awards, commencing in 1975-76. For 1974-75 and earlier series, holders have the option of receiving awards under the old scholarship annual range of $250-$1,000, depending on income. For such students a lower tuition assistance program award is in effect.

Table 1

Total Payments and Aid Recipients, 1975-76[1]

	Students	Total Aid
Tuition Assistance Program Awards	264,847	$111,404,000
Regents Scholarships, Fellowships and Child-of-Veteran Awards	73,880	24,889,000
Student Loans	144,895	207,603,280
TOTALS	483,622[2]	$343,896,280

[1]Data reported by Higher Education Services Corporation, 9/15/76.

[2]Total contains duplicated numbers of recipients.

IV

Determination of the Student's Award on the Basis of Tuition Cost and Financial Ability

The minimum and maximum awards for each scholarship and grant program are established by legislation. Within this range, the award is determined by the tuition cost of the college attended by the student and by the family net taxable income.

These principles are illustrated for the largest award program, the tuition assistance program. That program presently operates with two schedules of awards. Schedule B applies to those undergraduate students who were enrolled in postsecondary study before July 1, 1974, while Schedule C is available to undergraduate students who began study after that date. Schedule B also applies to graduate and professional students. By 1977-78 most undergraduate students will receive TAP awards under Schedule C.

Table 2
Illustrative Tuition Assistance Program (TAP) Annual Awards

1976-77

Net Taxable Balance*	Private College (Tuition of $1,500 or more)		SUNY Lower Division ($750 Tuition)		CUNY Lower Division ($775 Tuition)	
	Sched. B	Sched. C	Sched. B	Sched. C	Sched. B	Sched. C
$ 2,000	600	1,500	600	750	600	775
3,000	533	1,440	533	690	533	715
6,000	333	1,250	333	500	333	525
9,000	133	1,030	133	280	133	305
12,000	100	770	100	100	100	100
15,000	100	450	100	100	100	100
20,000	100	100	100	100	100	100

*Net taxable balance is the gross income less all allowable exemptions and deductions for State income tax purposes. For the typical two-child family, a net taxable balance of $2,000, for example, is approximately comparable to a gross income of about $6,100.

After a student has received 2 full years of payments under any program (TAP or Scholarship), remaining TAP payments under Schedule C shall be reduced by $200 per year, except that no student shall receive less than $100 per year if the family net taxable balance is $20,000 or less.

V

Trends in Enrollments and Awards

It is useful to compare enrollment data for 1974-75 and 1975-76 with the number of TAP recipients, by sector, for the same period. These data are displayed in the tables that follow. Whereas total undergraduate enrollment increased by 6.7%, the numbers of recipients increased by 12.4%, indicating a higher utilization rate by eligible students in 1975-76. Some interesting variations between enrollment and TAP recipients appear:

1. The enrollments at SUNY State-operated colleges increased by 6.2% but the number of TAP recipients increased by only 2.6%.

2. At the SUNY community colleges, the enrollment increased by 14.5% but the number of recipients increased by 21.3%. As a percentage of enrollments, TAP recipients rose from 58.5% in 1974-75 to 62.0% in 1975-76.

3. The independent college undergraduate enrollments increased by 8.4% but the number of TAP recipients increased by 11.6%.

In summary, the greatest growth in numbers of undergraduate TAP recipients occurred in the SUNY community colleges, the independent colleges and the business schools and in each case the growth exceeded enrollment increases. It is pleasing to note the large increase in the utilization rate among community college students. For a number of years, a disproportionately low percentage of community college students used State grants. The increase in 1975-76 probably reflects an improvement of counseling for students and the increased importance of the grants since the elimination of the requirement that students pay the first $200 of their tuition. At the graduate level, the growth in number of TAP recipients exceeded enrollment growths in each sector, including CUNY, where the enrollment actually decreased. The overall utilization rates for the two years increased at both the undergraduate and graduate level; 41.7% to 44% for undergraduates and 33.4% to 37.3% for graduates.

Table 3

Number of TAP Recipients by Sector
Actual 1974-75 and 1975-76

	1974-75		1975-76		
	Number	% of Total	Number	% of Total	% Change in Numbers from 1974-75
	1974-75	% Total	1975-76	% Total	% Change
Undergraduate	214,485		241,100		12.4%
SUNY-State operated	86,220	40.2%	88,454	36.7%	12.4%
SUNY-Comm. colleges	42,422	19.8%	51,494	21.4%	21.3%
Independent colleges	77,609	36.2%	86,645	35.9%	11.6%
Hospital schools	3,169	1.5%	2,970	1.2%	- 6.3%
Business schools[1]	3,089	1.0%	9,135	3.7%	196.0%
Trade and Technical	570	.2%	1,106	.5%	94.0%
CUNY	1,406	.6%	1,296	.6%	- 7.8%
Graduate	20,795		23,747		14.2%
State University	7,005	33.7%	8,217	34.6%	17.3%
City University	1,724	8.3%	2,183	9.2%	26.6%
Independent colleges	12,066	58.0%	13,347	56.2%	10.6%

[1]Include degree-granting institutions and registered non-degree schools with curricula of two years duration.

Table 4

Full-time Degree Credit Enrollments in
New York State Colleges and Universities
Actual Fall 1974 and Fall 1975

	1974 Enrollment	TAP Recip. as % of Enrollment	1975 Enrollment	TAP Recip. as % of Enrollment	Percent change in Enrollment
Undergraduate	514,587	41.7%	549,179	43.9%	6.72%
State University	197,766	65.0%	215,792	64.9%	9.11%
State operated	125,209	68.9%	132,911	66.6%	6.2 %
Community colleges	72,557	58.5%	83,061	62.0%	14.48%
City University	131,158	1.1%	132,043		.67%
Senior colleges	87,220		87,550		.38%
Community colleges	43,938		44,493		1.26%
Independent colleges	185,663	47.8%	201,339	43.0%	8.44%
Graduate	62,187	33.4%	63,872	37.3%	2.31%
State University	14,590	48.0%	15,668	52.4%	7.39%
City University	5,613	30.7%	4,515	48.3%	-19.56%
Independent colleges	41,984	28.7%	43,689	30.7%	4.06%

Table 5

Loans Guaranteed by Fiscal Year

	1974-75	1975-76	% Change
Original loans	64,310	71,868	11.7%
Additional loans	66,294	73,027	10.2%
Total	130,604	144,895	10.9%

The number of loans guaranteed includes graduate and undergraduate students, students at collegiate institutions as well as at vocational institutions and students studying in New York State as well as students studying outside the State. Although the total number of loans rose at a greater rate than enrollments in New York State, the percentage change in the number of borrowers was less than the percentage change in the number of TAP recipients.

VI

Trends in Costs and Average Awards

There were significant changes in the average awards received under the Tuition Assistance Program in 1975-76. The average undergraduate award rose by more than one-third (Table 6). The higher schedule of awards approved at the 1974 legislative session is being phased in by granting the higher awards to a new class each year. Thus, the increase in awards to undergraduate students reflects more students receiving awards under the new schedule, rather than a change in the schedule. Graduate students, however, benefited from a change in the schedule of awards made at the 1975 Legislative session. Students with net taxable incomes between $2,000 and $9,500 receive higher awards as a result of their eligibility under schedule B (see Table 2).

The average Regents College Scholarship amount dropped by 13.2%. New students who receive the higher TAP awards receive a flat scholarship grant of $250 rather than awards, based on family income, that could be as high as $1,000. One of the purposes of the TAP program was to be the primary vehicle for providing grants based on income. The flat scholarship awards were retained as a way of recognizing academic merit.

Among the major programs, the smallest change in the average amount received by students was in the guaranteed loan program. The average loan rose only 5% from $1,366 to $1,433 between 1974-75 and 1975-76. This is in contrast to increases of 7.2% between 1972-73 and 1973-74 and 9.1% between 1973-74 and 1974-75, and may reflect the fact that the availability of larger federal and state grants has reduced the need for maximum loans.

Table 6

Average Awards and Loans, 1975-76[1]

Program	Average Amounts 1974-75	1975-76	Percent Change
Tuition Assistance Program			
Undergraduate	$ 343	$ 467	36.2%
Graduate	316	383	21.2
Total	340	461	35.6
Regents College Scholarships	372	323	(13.2)
Regents Nursing Scholarships	241	241	-
Child-of-Veteran Awards	421	401	(4.75)
Regents War Veterans Scholarships	315	307	(2.29)
Regents Medical and Dental Scholarships	1,125	1,906	69.4
Lehman Fellowships	4,376	4,267	(2.5)
Student Loans	1,366	1,433	4.9

[1]Data reported by Higher Education Services Corporation, 9/15/76.

The changes in average awards and loans must be related to changes in the costs that students must finance. The Education Department study that was used to help develop the TAP program analyzed the costs and the resources available to Scholar Incentive Award recipients. Table 7 shows the average tuitions and average Scholar Incentive and Tuition Assistance Program awards in 1973-74 and 1975-76 at the major sectors.

While tuition at the independent colleges increased by 17% in the two years, the average amount that State grant recipients must actually pay rose by only 4%. At the public colleges the net tuition that students must pay actually decreased since the implementation of the Tuition Assistance Program. The decrease for SUNY students is not as great as shown in the table because the TAP program replaced a portion of the awards that students previously received through the State University Scholarship program.

The tuition increases at the independent colleges are not out of line with changes in the Consumer Price Index for the same period. The Consumer Price Index for Services (less rent) rose 21.2% during the 1973-1975 period. Per capita income in New York State rose from $5,659 in 1973 to an estimated $6,658 in 1975, an increase of 17.7%.

Non-tuition costs to students (room and board, books, transportation, personal expenses, etc.) rose by approximately 14% between 1973-74 and 1975-76. The average guaranteed student loan increased 14.5% between 1973-74 and 1975-76 (from $1,252 to $1,433).

Table 7

Average Tuition and Scholar Incentive/Tuition Assistance Program Awards, 1973-74 and 1975-76

	Independent			SUNY			Community Colleges		
	1973-74[a]	1975-6	% Change	1973-4	1975-6	% Change	1973-4	1975-6	% Change
Average Tuition[b]	$2382	$2787	17.0%	740	740	0 %	556	623	12.1%
Average SI/TAP[c]	276	605	119.2%	201	287	42.8%	218	298	36.7%
Tuition less Award	2106	2182	3.6%	539	453	(16.0)	338	325	(3.8)

Notes: a) 1973-74 data from "How Scholar Incentive Award Recipients Finance College Costs, 1973-74", State Education Department, 1974
b) 1975-76 tuitions are estimated
c) 1975-76 average awards from HESC

VII

The Impact of the Tuition Assistance Program on Students' Choice of College

The Tuition Assistance Program, established in 1974, has two major objectives; to reduce financial barriers to postsecondary study for low-income and low-middle income students and, to provide such students with greater freedom in choosing institutions that best meet their educational needs, whether the institutions are under public, independent or proprietary sponsorship. The availability of larger tuition grants, which carry maximum awards of $1,500 per year for lower division students, is facilitating the attainment of both objectives.

An analysis of the impact of the new Tuition Assistance Program and changes in enrollment among sectors suggest that the TAP program has increased opportunities for TAP eligible students to attend independent institutions.

1. Enrollment of full-time undergraduate students at independent institutions declined steadily between 1969 and 1973, while enrollment in the public sector continued to increase.

2. In Fall, 1974, the decline in enrollments in the independent sector was arrested.

3. In Fall, 1975, undergraduate enrollments in the independent sector rose by 9.0% compared to an overall statewide increase of 6.6%.

4. Preliminary data for Fall, 1976 show a further increase of undergraduate enrollments at independent colleges and universities of about 6% compared to a statewide enrollment decrease of 6%. Nationwide, enrollments from Fall, 1975 to Fall, 1976 show a decrease of 1.5%.

5. The responses to a Fall, 1975 questionnaire mailed to initial TAP recipients indicated that one out of every two recipients at independent colleges would not have attended the college at which they had enrolled if TAP awards were not available. Three out of every four such respondents indicated they would have selected a public institution if TAP awards were not available. The results of the survey are discussed below.

SED Survey of Fall, 1975 recipients

In the Fall of 1975 the Education Department sent a questionnaire to students who were initial TAP recipients in 1975-76. The student questionnaire requested information on what the student would have done if the TAP award had not been available. Several significant findings from the student questionnaire responses are presented:

Nearly one-half the TAP recipients at independent colleges would not have attended the same institution without an award.

The questionnaire asked students if they would have gone to the same institution if they had not received a TAP award in 1975-76. The responses, as reported in Table 8, show that in the independent college sector, nearly one-half (48.4 percent) would not be attending the same college without the TAP award. For State University students, the corresponding figure is 17.6 percent.

Table 8

TAP Recipients Would Have Attended the Same Institution Now Attending, Without a TAP Award

Fall, 1975

Response	SUNY Community College		SUNY		Independent	
	No.	%	No.	%	No.	%
No	68	18.4	65	17.6	324	48.4
Yes	301	81.6	303	82.1	345	51.6
Total	369	100.0	368	99.7	669	100.0

Of those students who indicated that they would have attended a different institution, if no TAP award were available, approximately 75 percent of the respondents currently in independent colleges stated that they would have attended a public college in New York. Table 9 shows the distribution of responses for the alternative of attendance at a different type of institution.

Table 9

TAP Recipient Would Have Attended a Different Type Institution if TAP Award Not Available
Fall 1975

Types of Alternative Institutions in New York	Institutions Currently Attending: SUNY Community Colleges No.	%	SUNY State-Operated No.	%	Independent No.	%
SUNY-state operated	1	12.5	13	34.2	63	30.4
SUNY-community colls.	5	62.5	13	34.2	47	22.7
CUNY-Senior			2	5.3	36	17.4
CUNY-community colls.	1	12.5	3	7.9	9	4.3
Independent	1	12.5	5	13.2	39	18.8
Other (proprietary schools)					2	1.0
Out-of-State						
Public			1	2.6	4	1.9
Private			1	2.6	7	3.4
Total[1]	8	100.0	38	100.0	207	99.9

[1]Total response is less than indicated in Table 9 as some students indicated that they would either defer college attendance or not attend at all.

Without a TAP award, a higher percentage of community college students would not have attended college at all.

Despite the fact that the community colleges provide the lowest cost option for college attendance, and the average TAP grants are higher in the SUNY and independent sectors, a higher percentage of community college students indicated that they would not have attended college at all if TAP grants were not available. Among first-time students at the community colleges, 8.1% said they would have not gone to college without a TAP grant. Without a grant 6.9% of the students at independent colleges would not have attended any college, while 3.3% of the SUNY students said that the program made college attendance possible.

Students would have used a variety of sources to make up for the funds they receive through the TAP program.

The students were also asked how they would have made up for the funds now being provided by the TAP program if no grants were made.

The majority of students at all types of institutions would have relied on borrowing and part-time employment, in that order, to compensate for the lack of TAP. Table 10 provides a breakdown of the alternate sources of assistance the students would have used. In most cases, of course, the student would already be relying on various categories of alternate sources. Respondents to this question include students who would have attended the same or a different institution without a TAP grant.

Table 10

Sources of Funding if No TAP Was Available
Fall, 1975

Alternate Source	SUNY Community colleges No.[1]	%	SUNY State-operated No.[2]	%	Independent No.[3]	%
Loans	172	36.2	157	45.8	304	52.7
Part-time Employment	148	47.9	123	35.9	255	44.2
Parental Support	116	37.6	129	37.6	177	30.7
Other Support	59	19.1	48	14.0	125	21.7

[1]309 students provided multiple responses to this question.

[2]343 students provided multiple responses to this question.

[3]577 students provided multiple responses to this question.

The implications of these responses are clear; without TAP awards, significant numbers of students would have attended different institutions and, for the respondents from the independent sector, many would have attended public colleges which are already operating at full capacity. Taxpayers would have had to underwrite additional expenditures for public colleges,while space at independent colleges was underutilized. Further, large numbers of students would have had to rely on other sources such as loans, part-time employment and parental support. The Tuition Assistance Program is thus a very important factor in providing both college access and choice.

VIII

How Tuition Assistance Program Award Recipients Finance College Costs

This section describes how Tuition Assistance Program (TAP) recipients combine their State grants with other sources of student aid to lower the actual cost of college attendance. Costs and aid sources are analyzed by family income level for students at independent colleges, State University (State-operated) campuses, and the community colleges (outside NYC) for 1973-74 and 1975-76. Thus, the data show how State grant recipients financed costs before the TAP program as well as in the most recent year in which data are available.

The comparisons made in this section are based on two studies conducted by the State Education Department.

A study of 1973-74 Scholar Incentive (SI) Award recipient was completed in 1974 to provide background for the development of the Tuition Assistance Program. The Education Department has also surveyed a group of 1975-76 TAP recipients to determine the changes in financing patterns that have occurred since the revision of the State program. For each survey 5,000 award recipients were randomly selected.[1]

The analysis in this section is restricted to the State grant recipients who also received some other form of student aid. The percentage of SI/TAP recipients who received other aid increased in each sector (see table 11). The largest percentage increase was among community college students, followed by independent college students and SUNY students.

Table 11

Percentage of Scholar Incentive/Tuition Assistance Program Recipients Receiving Other Forms of **Student Aid**, 1973-74 and 1975-76

Sector	Percent Receiving Other Aid	
	1973-74	1975-76
Independent	62.9%	68.1%
SUNY	46.1	48.3
Community Colleges	19.4	34.5
Totals	49.2%	55.3%

[1]These studies were funded, in large part, by the Ford Foundation.

The relatively larger increase at the community colleges is probably due to the increased number of students receiving Federal Basic Educational Opportunity Grants (BEOG). Community colleges have not had large amounts of institutional aid available for students, and the increase in a program that is external to the institution would explain the change.

The Net Cost of College Attendance

The net cost of attendance for full-time undergraduate students at all income levels covered by the surveys who are enrolled at independent colleges went down between 1973-74 and 1975-76 (see table 12). The net cost also dropped for SUNY students with the exception of those at the $20,000 and $25,000 income levels. All groups of community college students showed decreases in the net cost except the $10,000 income group This group, although receiving increases in aid,also reported a disproportionate increase in the total cost.

Changes also occurred in the difference in the net cost between public and independent institutions from 1973-74 to 1975-76. For the $5,000 income group, the net cost differential between SUNY and independent colleges grew larger, for the $10,000 income group it remained the same and for the remaining income groups the differential became narrower. The net cost differential between independent colleges and community colleges showed a less consistent pattern when examined by income level.

Net cost is defined as total cost of attendance, including tuition and non-tuition costs, less all grants. Tables 13 - 15 show how the net costs were arrived at, and tables 16 - 18 show the detail on the various grant sources available to students. Non-tuition costs include fees, books, travel, and personal costs for all students; lunches, and maintenance allowances for living at home for commuter students; and room and board for resident students. The students surveyed include both resident and commuter students, and the average total cost is affected by the percentage of each type of student attending the three sectors. SUNY has a high percentage of resident students compared to the independent sector. Thus, the average non-tuition costs for SUNY students are higher.

The Use of Loans to Finance College Costs

Not only did students at all income levels receive increases in total grants, but all groups increased their average loans in 1975-76 except at the community colleges. (see tables 13 - 15). There was a tendency for average borrowing to increase as income increased. Most of the increase in borrowing can be ascribed to the change in the State Guaranteed Loan Program that was approved in 1974. In 1974 the State began paying a partial interest subsidy for borrowers from families with an adjusted gross income between $15,000 and $30,000.

The increases in both grants and loans resulted in significant decreases in the amounts that students and parents had to finance through the use of other sources. For several groups of the students, the relief from financing college costs out of current family income and other sources exceeded $1,000.

Grants to Students

New York State students receive grants from a variety of State, Federal, institutional and other sources. (See tables 16 - 18.) Increases in the State Tuition Assistance Program and the Federal Basic Educational Opportunity Grant Program were the major factors accounting for the changes in average total grants between 1973-74 and 1975-76. Students at independent colleges received greater increases in State grants than did students at public institutions. State grant increases were not limited to students in the lowest income categories. The largest increase was among independent college students in the $15,000 income group. Their average State grants more than tripled, from $213 to $682. The average Regents Scholarship amounts, on the other hand, declined as a result of the changes made in 1974.

1973-74 was the first year in which students received Federal BEOG awards. Only one class of students received awards and the maximum award was $452. By 1975-76 three classes were eligible for maximum awards of $1,400. Unlike the State grant program, BEOG awards are restricted to low income students. Thus, while students at the $5,000 and $10,000 income levels received substantial amounts in 1975-76, the average awards dropped off rapidly as income rose above those levels. Another important difference between the TAP and BEOG programs is the average awards at public and independent institutions. TAP grants are much higher at independent institutions than at public institutions and are the major government grant source to bring about a reduction in the net cost differential.

Independent institutions have used the increase in government grants to low income students to redistribute their own grant funds rather than reducing their outlays. Independent colleges have decreased institutional grants to students at the $5,000 income level but have increased grants at the other income levels with the most significant increases at $20,000 and $25,000 income levels. Both public and independent institutions have redistributed other Federal grants upward on the income scale.

Table 12

Net Cost of College Attendance, 1973-74 and 1975-76
By Income Level and Sector

Gross Income	$5,000		$10,000		$15,000		$20,000		$25,000	
Academic Year	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6
Net Costs										
Independent	$2,034	$2,003	$2,674	$2,300	$3,124	$2,884	$3,447	$3,424	$3,819	$3,613
State University	1,655	1,568	2,103	1,723	2,518	2,404	2,502	2,643	2,597	2,709
Community Colleges	1,386	862	1,701	1,726	2,074	1,796	2,110	1,876	NA[1]	NA[1]
Independent-Public Differential										
Indep. - SUNY	379	435	571	577	606	480	945	781	1,222	904
Indep. - C.C.	648	1,141	973	574	1,050	1,088	1,337	1,548	NA[1]	NA[1]

[1]Not Applicable - Sample size too small

Table 13

Average Costs of Attendance, 1973-74 and 1975-76
By Income Level

INDEPENDENT COLLEGES

Gross Income	$5,000		$10,000		$15,000		$20,000		$25,000	
Academic Year	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6
Average Total Cost	$4,123	$4,594	$4,105	$4,621	$4,218	$4,495	$4,182	$4,780	$4,535	$4,672
Less:										
Average Grants	2,089	2,591	1,431	2,321	1,094	1,611	735	1,356	716	1,059
Net Cost (total cost less grants)	2,034	2,003	2,674	2,300	3,124	2,884	3,447	3,424	3,819	3,613
Less:										
Average Loans	750	1,194	700	1,398	793	1,354	636	1,560	651	1,561
Amount to be financed by students & parents	1,284	809	1,974	902	2,331	1,530	2,811	1,864	3,168	2,052

Table 14

Average Costs of Attendance, 1973-74 and 1975-76
By Income Level

STATE UNIVERSITY

Gross Income	$5,000		$10,000		$15,000		$20,000		$25,000	
Academic Year	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6
Average Total Cost	$2,862	$3,304	$2,789	$2,999	$2,992	$2,927	$2,820	$3,012	$2,876	$3,029
Less:										
Average Grants	1,207	1,736	686	1,276	474	523	318	369	279	320
Net Cost (total cost less grants)	1,655	1,568	2,103	1,723	2,518	2,404	2,502	2,643	2,597	2,709
Less:										
Average Loans	743	1,006	735	1,029	768	1,761	617	1,820	656	1,320
Amount to be financed by students & parents	912	562	1,368	694	1,750	643	1,885	823	1,941	1,389

Table 15

Average Costs of Attendance, 1973-74 and 1975-76
By Income Level

COMMUNITY COLLEGES

Gross Income	$5,000		$10,000		$15,000		$20,000		$25,000[1]	
Academic Year	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6
Average Total Cost	$2,304	$2,534	$2,291	$2,911	$2,354	$2,366	$2,285	$2,200	NA	NA
Less:										
Average Grants	918	1,672	590	1,185	280	570	175	324	NA	NA
Net Cost (total cost less grants)	1,386	862	1,701	1,726	2,074	1,796	2,110	1,876	NA	NA
Less:										
Average Loans	408	118	367	326	454	565	339	207	NA	NA
Amount to be financed by students & parents	978	744	1,334	1,398	1,620	1,231	1,771	1,669	NA	NA

[1]Not Applicable - Sample size too small

Table 16

Summary of Average Grant, Loan and Work Sources, 1973-74 and 1975-76
By Income Level

INDEPENDENT COLLEGES

Gross Income	$5,000		$10,000		$15,000		$20,000		$25,000	
Academic Year	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6
Grants										
Regents Scholarships	$ 313	$ 144	$ 291	$ 150	$ 228	$ 110	$ 176	$ 126	$ 220	$ 142
Tuition Assistance	490	844	312	830	213	682	167	532	131	326
Institutional Grants	629	505	539	674	483	578	335	599	324	546
BEOG	27	572	11	318	1	81	0	21	0	12
Other Federal Grants	235	114	70	76	15	66	1	11	4	8
Other Grants[1]	395	412	208	273	154	94	56	67	37	25
Total Grants	2,089	2,591	1,431	2,321	1,094	1,611	735	1,356	716	1,059
Total Work	157	351	179	278	113	222	81	237	53	201
Total Loans	750	1,194	700	1,398	793	1,354	636	1,560	651	1,561
Totals	$2,996	$4,136	$2,310	$3,997	$2,000	$3,187	$1,452	$3,153	$1,420	$2,821

[1]Includes Social Security and Veterans Administration benefits, State special programs, and other grants

Table 17

Summary of Average Grant, Loan and Work Sources, 1973-74 and 1975-76
By Income Level

STATE UNIVERSITY

Gross Income	$5,000		$10,000		$15,000		$20,000		$25,000	
Academic Year	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6
Grants										
Regents Scholarships	$ 169	$ 102	$ 172	$ 120	$ 154	$ 84	$ 136	$ 82	$ 135	$ 84
Tuition Assistance	352	550	247	406	185	264	145	214	129	174
Institutional Grants	190	66	87	50	49	36	19	19	8	5
BEOG	38	499	10	355	1	90	0	13	0	13
Other Federal Grants	104	59	25	77	5	33	3	6	0	0
Other Grants[1]	354	460	145	268	80	16	15	35	7	44
Total Grants	1,207	1,736	686	1,276	474	523	318	369	279	320
Total Work	119	215	151	209	88	186	24	153	0	104
Total Loans	743	1,006	735	1,029	768	1,761	617	1,820	656	1,320
Totals	$2,069	$2,957	$1,572	$2,514	$1,330	$2,470	$ 959	$2,342	$ 935	$1,744

[1]Includes Social Security and Veterans Administration benefits, State special programs, and other grants

Table 18

Summary of Average Grant, Loan and Work Sources, 1973-74 and 1975-76
By Income Level

COMMUNITY COLLEGES

Gross Income	$5,000		$10,000		$15,000		$20,000		$25,000[2]	
Academic Year	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6	1973-4	1975-6
Grants										
Regents Scholarships	$ 62	$ 0	$ 41	$ 12	$ 0	$ 48	$ 0	$ 0	NA	NA
Tuition Assistance	280	554	267	412	215	274	175	226		
Institutional Grants	0	23	18	28	0	18	0	7		
BEOG	6	810	17	472	2	124	0	43		
Other Federal Grants	127	33	91	122	42	52	0	0		
Other Grants[1]	443	252	156	139	21	54	0	48		
Total Grants	918	1,672	590	1,185	280	570	175	324		
Total Work	283	518	351	129	75	578	253	332		
Total Loans	408	118	367	328	454	565	339	207		
Totals	$1,609	$2,308	$1,308	$1,642	$ 809	$1,713	$ 767	$ 863		

[1]Includes Social Security and Veterans Administration benefits, State special programs, and other grants

[2]Not Applicable - Sample size too small

IX

A Review of the Higher Education Services Corporation Annual Report (Draft) for 1975 - 76

The Corporation is supposed to issue its annual report to the Governor and Legislature by November 1, of each year. The draft of the report covering 1975-76 includes a history of the establishment of the agency and some of the problems and difficulties it encountered in its first year of operations. The Regents report on State student financial assistance programs will touch briefly on certain aspects of the Corporation draft report.

1. Overrun in TAP expenditures

The Corporation report describes some of the reasons for the 1975-76 expenditures, $111.4 million, exceeding the original budget of $98.1 million by approximately $13 million. The report lists three major reasons for the increase; increased numbers of recipients, an increase in average awards (attributed partly to increased numbers of emancipated students) and an increase in the number of recipients enrolled at business, trade and technical schools.

During the course of 1975-76 much publicity was given the significant increase in the numbers of emancipated students receiving awards and at times the TAP cost overrun appeared to be attributed largely to this development. Although the current Corporation report does not weight the factors contributing to the cost overrun, it seems, from the data presented, that the increased number of recipients (due mainly to increased undergraduate enrollments in 1975-76) is responsible for a major portion of the $13 million increase. The report notes that there was a net increase of about 16,000 undergraduate recipients over the 10,000 undergraduate increase previously projected. With an average TAP award of $467 for the year, it would appear that the increased numbers of recipients would account for some $7.5 million of the $13 million overrun. The Corporation data show an increase of almost 10,000 in the number of emancipated students in 1975-76 but inasmuch as it does not indicate the average awards by Schedule for emancipated students (undergraduate and graduate) it is not possible to determine how much of the increased TAP costs can be attributed to emancipated students.

Other factors affect average awards, in addition to emancipation. These include changes in family income levels, tuition levels, and distribution of students by independent and public sector and by award schedule. Information on these factors, which influence program costs is not available from the Corporation report.

Incidentally, the Corporation report notes the increased number of recipients attending business, trade and technical schools and cites the factor of broadened eligibility of such students. The report incorrectly states that the growth of such recipients began when the commissioner, through regulation, authorized such eligibility in the spring of 1975. Actually, the regulation extended eligibility to students in October, 1974

for the 1974-75 year and it applied to those students in degree-granting proprietary schools whose course work was creditable towards a degree. This eligibility did not extend, of course, to the non-degree, two-year business school programs whose students were already eligible for TAP awards. As the Corporation report indicates, the extended eligibility was put on a statutory basis in 1975. The Corporation report points out that there was a rapid growth in TAP recipients between 1974-75 and 1975-76 in the various proprietary schools but it should be noted that this growth includes awards for students in the non-degree business schools. Part of the increase in expenditures can be attributed to a higher number of students on Schedule C.

2. 1976-77 Processing of State Award Applications

The Corporation's report does not refer to its experience with the processing of State award applications for the current year which was to have been initiated in late spring of 1976 after issuance of the award application booklet. It is our understanding that the initiation of a computer editing procedure, designed to facilitate the processing of applications, was considerably delayed in implementation with the result that a relatively low percentage of applicants received their award certificates prior to the beginning of the 1976 fall term. It is hoped that the difficulties will be overcome so the balance of award processing for 1976-77 will be facilitated.

3. Integration of Student Aid Delivery

One of the major purposes of the Corporation is to centralize the administration of State student aid programs and to coordinate such aid with Federal financial assistance programs. Logically this would start with an integrated application for State awards and loans which now require separate application. Another important development would involve the Corporation serving as a contractor, in the processing of Federal Basis Educational Opportunity Grants for New York students. This would be a tangible realization of the coordination of Federal and State programs.

The Corporation's report does not allude to these objectives but hopefully they will be given priority as the agency overcomes its organizational and operational problems.

4. Statistical Report on Student Aid Programs

The Corporation's annual report for 1975-76 and its budget request for 1977-78 provide some useful data on the volume and characteristics of the student aid programs. However, the data are not complete nor are they unified for easy reference. Inasmuch as there are a number of constituencies involved in planning postsecondary financing, including the Education Department, a composite statistical report on 1975-76 activities would be most useful. In evaluating the Corporation's program growth, it has been necessary to draw on some data in the Corporation's draft report and to use other data from the agency's budget request for 1977-78.